

Washington, DC— Representatives Rosa DeLauro (CT-3), John Larson (CT-1), Chris Van Hollen (MD-8), Joe Courtney (CT-2), and Peter Welch (D-VT), along with 72 of their colleagues in the House of Representatives, called today for the Republican leadership to support the Commodity Futures Trading Commission (CFTC), which has oversight over the dangerous oil speculation that has driven up gas prices around the country, instead of bringing legislation to the House floor that would seriously restrict its funding.

H.R. 1573 would delay the CFTC from putting in place reforms to limit the undue influence that speculators have in manipulating the energy markets by 18 months at the expense of American families struggling to cope with rising gas prices.

The members wrote, “Our constituents cannot afford continued gas price increases, and our nation’s businesses cannot afford wild swings in oil prices that make it difficult for them to plan their budgets and hedge their supply risks. Accordingly, we respectfully urge you to refrain from bringing H.R. 1573 to the floor, allow the CFTC to continue its work in reining in speculators, and work in a bipartisan way on policies that will address speculation and decrease rather than increase the price of gas.”

The text of the letter is below.

June 13, 2011

The Honorable John A. Boehner
Speaker H-232 The Capitol
Washington, DC 20515
Eric Cantor
Majority Leader

The Honorable
Majority Leader

H-329 The Capitol

Washington, DC 20515

Dear Speaker Boehner and Majority Leader Cantor,

We write to express our disappointment with your failure to bring legislation to the floor of the House of Representatives that would bring immediate relief to the American people facing ever-rising gas prices, as well as our deep concern with legislation advancing through the House that would lead to further increases in gas prices. We respectfully urge you to refrain from bringing this legislation, H.R. 1573, which would hamper efforts to curb dangerous oil speculation, to the floor and instead work in a bipartisan manner on common-sense initiatives to address excessive speculation and lower gas prices.

As you know, gas prices have reached an average of around \$4 dollars a gallon across the country this year, up dramatically from the \$2.78 national average cost for a gallon of gasoline in 2010. This steep and sudden increase in the price of gas is squeezing the already strained budgets of middle-class Americans and hampering the economy's ability to fully recover from the worst recession since the Great Depression.

A key driver of this spike in gas prices is energy speculation, with Goldman Sachs estimating that at the peak of the recent oil price bubble speculators increased crude prices by approximately 20 percent, which in turn significantly increased gas prices. Recently, we have seen volatility in oil prices that is clearly not driven by supply and demand fundamentals. In fact, the head of Exxon Mobil recently testified to Congress that the price of oil should be "in the \$60 to \$70 range," even as it hovers around \$100 a barrel.

Yet, you and your colleagues have put forward budgets for 2011 and 2012 that would significantly cut funding for the Commodity Futures Trading Commission (CFTC), the one entity that can prevent speculators from continuing to drive up gas prices. Now Republican Members of Congress are advancing additional proposals to weaken the CFTC's authority to rein in such detrimental speculation, even as it demonstrates its importance recently charging five oil speculators with manipulating the price of crude in netting them more than \$50 million as oil prices climbed toward record highs of \$147 a barrel in the summer of 2008. One piece of legislation, H.R. 1573, which has been marked up by the Agriculture and Financial Services Committees, would delay by 18 months the CFTC's ability to put in place reforms to limit the undue influence that speculators, whose motives are purely financial, are having in manipulating the energy markets at the expense of American families.

Our constituents cannot afford continued gas price increases, and our nation's businesses cannot afford wild swings in oil prices that make it difficult for them to plan their budgets and hedge their supply risks. Accordingly, we respectfully urge you to refrain from

bringing H.R. 1573 to the floor, allow the CFTC to continue its work in reining in speculators, and work in a bipartisan way on policies that will address speculation and decrease rather than increase the price of gas.

We thank you for your attention and look forward to working with you on this critical matter.

Sincerely,

###